

Message Text

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ACTION EB-07

INFO OCT-01 ARA-06 ISO-00 AGR-05 AID-05 CIAE-00 COME-00

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R 191910Z FEB 76

FM AMEMBASSY TEGUCIGALPA

TO SECSTATE WASHDC 2536

INFO AMEMBASSY BOGOTA

AMEMBASSY GUATEMALA

AMEMBASSY XANAGUA

AMEMBASSY PANAMA

AMEMBASSY QUITO

AMEMBASSY SAN JOSE

AMEMBASSY SAN SALVADOR

AMEMBASSY SANTO DOMINGO

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GUATEMALA FOR EMBASSY AND ROCAP

E.O. 11652: N/A

TAGS: EAGR, HO

SUBJECT: INCO BANANAS UPEB RESOLUTIONS OF FEBRUARY 1976

BELIN SUMMARY: THE PRESIDENT OF THE UNION OF BANANA EXPORTING COUNTRIES (UPEB), BENJAMIN VILLANUEVA, HAS PROVIDED THE EMBASSY WITH A SET OF RESOLUTIONS RESULTING FROM THE MEETING OF FEBRUARY 5 THROUGH 7 IN TEGUCIGALPA. HE STATES THE MOST IMPORTANT WORK OF THE FIRST CONFERENCE OF MINISTERS WAS THE DECISION TO ESTABLISH A BANANA EXPORTING CORPORATION TO REPRESENT THE MEMBER COUNTRIES IN THE WORLD MARKET. THE EXECUTIVE DIRECTOR OF UPEB, DR. HERNANA VALLEJO MEJIA, IS PREPARING A COMMUNICATION FROM THE ORGANIZATION TO THE GOVERNMENT OF THE U.S. AND THE EUROPEAN ECONOMIC COMMISSION. UPEB WILL SEEK THE COOPERATION OF IMPORTING COUNTRIES FOR THE ESTABLISHMENT

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OF SOME ARRANGEMENT TO REGULATE SUPPLY AND DEMAND IN THE

WORLD MARKET FOR BANANAS. END SUMMARY.

1. THE NINE RESOLUTIONS TAKEN BY UPEB (COPIES POUCHED TO ALL ADDRESSEES) CONCERN THE ENTRANCE OF THE DOMINICAN REPUBLIC TO THE ORGANIZATION, THE NAMING OF THE EXECUTIVE DIRECTOR, PROGRAMS OF INVESTIGATION, COORDINATION OF POLICY AND ACTION ON THE PART OF MEMBER COUNTRIES, RELATIONSHIP WITH SELA, TECHNICAL ASSISTANCE FOR UPEB FROM INTERNATIONAL ORGANISMS, THE INTERNATIONAL AGREEMENT ON BANANAS, THE JOINT MECHANISM FOR THE MARKETING OF BANANAS AND COMPLEMENTARY PRODUCTS, AND FINALLY, A STATEMENT OF SOLIDARITY WITH THE GOVERNMENT AND PEOPLE OF GUATEMALA IN TIME OF ITS EARTHQUAKE DISASTER.

2. COOPERATION AMONG THE EXPORTING COUNTRIES TO ESTABLISH A CORPORATION FOR INTERNAL MARKETING RECEIVED THE GREATEST PLAY IN DELIBERATIONS. THE INITIAL INTENT IS TO BEGIN SALES EFFORTS WITH NON-TRADITIONAL BUYERS. HOWEVER, ACCORDING TO VILLANUEVA, A NUMBER OF "SERIOUS" BUYERS HAVE ALREADY APPROACHED THE INDIVIDUAL GOVERNMENTS WITH OFFERS. IT REMAINS TO BE SEEN WHETHER THE MARKETING CORPORATION CAN BE MADE TO FUNCTION ON A MULTINATIONAL BASIS. BECAUSE THE WORLD BANANA PRICE IS STRONG AT THE MOMENT, A NUMBER OF POTENTIAL BUYERS HAVE MADE OVERTURES. BECAUSE THE UPEB MARKETING ORGANIZATION IS NOT YET ESTABLISHED, THERE IS A TENDENCY FOR THE COUNTRY TO RESPOND INDIVIDUALLY. COORDINATION, ACCORDING TO VILLANUEVA, IS NECESSARY AT THE PRESENT TIME.

3. A PRIMARY OBJECTIVE ISSUED FROM THE UPEB MEETINGS WAS TO ATTEMPT TO CRATE AN "ORDERLY" MARKET FOR BANANAS. THE INITIAL REPRESENTATION TO THE USG AND THE EEC WILL BE MADE BY THE EXECUTIVE DIRECTOR IN THE NEAR FUTURE. VILLANUEVA HOPES TO HAVE A PROGRAM DEFINED BY THE TIME OF THE NEXT UPEB MEETINGS SCHEDULED FOR JUNE. COOPERATION TOWARD THIS END WILL BE SOUGHT FROM SELA, SIECA, UNCTAD AND FAO.

4. BEGIN COMMENT: HONDURAS IS WELL SATISFIED WITH THE FIRST ROUND IN UPEB AND PLEASED TO HAVE ITS REPRESENTATIVE NAMED PRESIDENT. HOWEVER, THE MATRIX OF VARIABLES IS EXMLREMELY COMPLEX AND ADMINISTATION WILL BE DIFFICULT. IN ITS INITIAL STAGES, WE BELIEVE, UPEB WILL BE WELL MANNERED AND SEEK LIMITED OFFICIAL USE

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COOPERATION FROM MANY ORGANIZATIONS, INCLUDING THE PRIVATE COMPANIES SUCH AS UNITED BRANDS, CASTLE AND COOKE AND DEL MONTE. UPEB, AS ARE THE INDIVIDUAL COUNTRIES, IS LIKELY TO SEEK QUALIFIED BANANA EXPOERTISE BY HIRING NATIONALS PRESENTLY ON THE PAYROLL OF THE MULTINATIONALS. HONDURAS HAS HIRED SEVERAL. END COMMENT.
SANCHEZ

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